

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4710

UNCLAS MANILA 7623

E.O. 11652: NA

TAGS: SGEN, RP

SUBJ: CLARIFICATION OF GOP LAND POLICY STATEMENT

REF: (A) MANILA 6193

(B) MANILA 5811

1. ON 26 JUNE 1974, SECRETARY PATERNO APPEARED BEFORE LEADERSHIP OF AM CHAM OF COMMERCE OF PHILIPPINES AND PRESENTED FOLLOWING WRITTEN STATEMENT ON GOP POSITION ON LAND POLICY STATEMENT REPORTED IN REFTEL (A) WITH UNDERSTANDING THAT IT COULD BE REPORTED TO MEMBERSHIP AND OTHER INTERESTED PARTIES. QUOTE THE PHILIPPINE GOVERNMENT MAINTAINS THAT ALL RIGHTS AND PRIVILEGES GRANTED TO AMERICANS UNDER THE LAUREL-LANGLEY AGREEMENT CEASE TO EXIST AFTER JULY 3, 1974. WITH RESPECT TO THE OWNERSHIP AND/OR ENJOYMENT OF OCCUPANCY OF LANDS, HOWEVER, THE PRESIDENT LAST MONTH ANNOUNCED A POLICY INTENDED TO PROVIDE TIME FOR THE APPROPRIATE ARRANGEMENTS TO BE MADE BY AMERICANS ON LANDS PURCHASED BY THEM DURING THE "PARITY PERIOD" OR PUBLIC LANDS LEASED BY THEM. PARA THE AMERICAN CHAMBER OF COMMERCE IS UNDERSTOOD TO BE SEEKING CLARIFICATION OF THE PRESIDENTIAL ANNOUNCEMENT WITH UNCLASSIFIED UNCLASSIFIED

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RESPECT TO THE FOLLOWING: PARA 1. LANDS ACQUIRED FROM PRIVATE PERSONS, I.E., LANDS NOT ACQUIRED FROM

THE PUBLIC DOMAIN. PARA 2. CONTINUED ENJOYMENT OF
OCCUPANCY AND RIGHT OF CONVEYANCE TO QUALIFIED PERSONS
OF LANDS ACQUIRED FROM THE PUBLIC DOMAIN. PARA 3.
CONTINUED ENJOYMENT OF OCCUPANCY OF LEASED PUBLIC LANDS,
INCLUDING FORESHORE LEASES. PARA PRIVATE LANDS PARA
THE GOVERNMENT WILL NOT TAKE ANY ACTION WHICH WOULD
ALTER THE PRESENT SITUATION WITH RESPECT TO LAND OWNER-
SHIP. SINCE THE CONSTITUTION PROVIDES THAT TITLES
TO PRIVATE LANDS ACQUIRED BY AMERICANS UNDER THE
PARITY ORDINANCE OF THE 1935 CONSTITUTION ARE VALID
AS AGAINST PRIVATE PARTIES, NON-ACTION BY THE GOVERNMENT
UNTIL MAY 27, 1975 WOULD ALLOW THE AMERICAN OWNERS
UNTIL THAT DATE TO CONVEY SUCH PRIVATE LANDS TO
QUALIFIED PERSONS. PARA LANDS ACQUIRED FROM THE
PUBLIC DOMAIN PARA BY VIRTUE OF THE PRESIDENTIAL
ANNOUNCEMENT, AMERICANS CAN CONTINUE TO ENJOY
OCCUPANCY OF LANDS ACQUIRED BY THEM FROM THE PUBLIC
DOMAIN UNTIL MAY 27, 1975. SINCE THEY LOSE TITLE
TO SUCH LANDS, BEING UNQUALIFIED TO BE HOLDERS THEREOF,
AFTER 3 JULY 1974, THEY CAN NO LONGER CONVEY TITLES TO
SUCH LANDS AFTER JULY 3, 1974. PARA OF THE AMERICAN
COMPANIES WHO ACQUIRED LAND FROM THE PUBLIC DOMAIN
DURING THE "PARITY PERIOD," THREE ARE KNOWN BY BOI TO
HAVE ALREADY TAKEN STEPS TO FORM JOINT-VENTURE RALTY
COMPANIES WHICH ACQUIRE THE SAID LANDS FROM THE
AMERICAN COMPANIES CONCERNED PRIOR TO JULY 3, 1974.
PARA LEASED PUBLIC LAND PARA SINCE THE GOVERNMENT
WILL NOT TAKE ACTION TO ALTER THE PRESENT SITUATION
UNTIL MAY 27, 1975, COMPANIES CONCERNED MAY ENJOY
UNDISTURBED OCCUPANCY OF LANDS LEASED FROM
THE PUBLIC DOMAIN UNTIL THAT DATE. THE GOVERNMENT
HAS DESIGNATED AN ENTITY TO ACQUIRE THE LEASES OF SUCH
PUBLIC LANDS OR FORESHORE AND ENTER INTO EQUITABLE
ARRANGEMENT TO ALLOW EASEMENT AND/OR USE OF FACILITIES
CONSTRUCTED ON SUCH PUBLIC LAND OR FORESHORE TO THE
AMERICAN COMPANIES WHO HAVE ENJOYED THESE RIGHTS AND
CONSTRUCTED SUCH FACILITIES DURING THE "PARITY PERIOD."
THE RELEVANT NEGOTIATIONS MUST BE COMPLETED BY MAY 27,
1975. THE PERIOD THUS MADE AVAILABLE IS CONSIDERED TO
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BE ADEQUATE FOR SUCH NEGOTIATION TO BE CONDUCTED
RATIONALLY AND EQUITABLY. PARA FUNCTIONS OF NDC ON
LAND MATTERS PARA THE NATIONAL DEVELOPMENT COMPANY
IS THE GOVERNMENT'S AGENT INITIALLY TO ACQUIRE TITLES
OF "PRIVATE LANDS" FROM AMERICAN COMPANIES DESIRING
TO CONVEY SUCH TITLES TO NDC, AND TO ENTER INTO LONG-
TERM LEASES OF SUCH PRIVATE LANDS. NDC IS ALSO
DESIGNATED TO LEASE PUBLIC LANDS (INCLUDING
FORESHORE) AND TO GRANT TO COMPANIES WITH LESS THAN
60 PERCENT FILIPINO OWNERSHIP RIGHTS OF USE OF CONSTRUCTED

FACILITIES AND/OR OF EASEMENT ON SUCH PUBLIC LANDS
LEASED BY THE NATIONAL DEVELOPMENT COMPANY FROM THE
GOVERNMENT. SUCH DESIGNATION OF NDC DOES NOT PRECLUDE
POSSIBLE EVENTUAL FORMATION OF ANOTHER GOVERNMENT
ENTITY DESIGNATED TO ENTER INFO LEASES OF FORESHORE
WHERE USE OF FACILITIES AND/OR EASEMENT ARE NEEDED BY
FOREIGN COMPANIES ENGAGED IN DESIRABLE ECONOMIC
ACTIVITIES. IN THAT EVENT, FORESHORE LEASES MAY BE
TRANSFERRED FROM NDC TO THIS DESIGNATED ENTITY, AND
THE LATTER WOULD BE THE GRANTOR OF THE AFORESAID
RIGHTS ON THE LEASED FORESHORE. UNQUOTE.

2. COMMENTS: THE ABOVE CLARIFICATION OF THE LAND POLICY
STATEMENT IS IN COMPLETE ACCORD WITH EMB UNDERSTANDING
OF INTENT OF SUCH STATEMENT IN DISCUSSION WITH GOP
OFFICIALS PRIOR TO PROMULGATION. THE PRESENT
STATEMENT GOES FURTHER IN CLARIFYING HOW THE GOP
PERCEIVES THE MANNER IN WHICH US ENTERPRISES
MAY CONTINUE TO ENJOY USE OF PUBLIC AND FORESHORE
LEASES AFTER 27 MAY 1975 AND ALSO THE USE OF THE
NDC IN ACQUIRING TITLES TO PRIVATE LANDS WITH LEASE
BACK ARRANGEMENTS. IT SHOULD BE NOTED IN THIS LATTER
RESPECT THAT REFTEL (B) PARA 7 REPORTED PRESIDENTIAL
DECREE THAT HAS NOW BEEN ISSUED WHICH WOULD ALLOW
25 YEARS LEASEHOLD INTEREST RENEWABLE FOR 25 YEARS
FOR PRIVATE LANDS.
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